

FILED

STATE OF NORTH CAROLINA

2016 APR 28 AM 10:58

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION

COUNTY OF WAKE

WAKE COUNTY, C.S.C.

FILE NO: 16 CV 005373

BY



STATE OF NORTH CAROLINA,  
*ex rel.* Roy Cooper, Attorney General,

Plaintiff,

v.

LIQUIDATION, LLC;  
LOAN SERVICING SOLUTION, LLC;  
SERVICING COMPANY DE, LLC;  
WILLIAM WALTER MCKIBBIN, III;  
KEVIN LEE CRONIN;  
MARK EDWARD WEINER; and  
BOBBY JOE MCKIBBIN; individually  
and collectively d/b/a AUTOLOANS, LLC;  
CAR LOAN, LLC; and SOVEREIGN  
LENDING SOLUTIONS, LLC; and  
Other unnamed individuals and entities;

Defendants;

And

NORTH CAROLINA DIVISION OF  
MOTOR VEHICLES;

Nominal Defendant only, named  
solely for purposes of injunctive  
relief.

**TEMPORARY RESTRAINING ORDER**

THIS CAUSE came on to be heard before the undersigned judge on Plaintiff's, the State of North Carolina, *ex rel.* Roy Cooper, Attorney General's ("the State"), Motion for a Temporary

Restraining Order as to Defendants Liquidation, LLC; Loan Servicing Solution, LLC; Servicing Company DE, LLC; William Walter McKibbin, III; Kevin Lee Cronin; Mark Edward Weiner; and Bobby Joe McKibbin, individually and collectively d/b/a AutoLoans, LLC; Car Loan, LLC; and Sovereign Lending Solutions, LLC (collectively, “Defendants”).<sup>1</sup>

The State filed its Complaint on April 25, 2016. With its Complaint and in support of its motion, the State filed seven affidavits, including the affidavits of four North Carolina consumers, together with the affidavits of Consumer Specialist David C. Evers, Paralegal Jennifer L. Sugar, and Special Deputy Attorney General M. Lynne Weaver of the North Carolina Department of Justice.

Counsel for NC-DMV did not appear, but Counsel for the State advised the Court that the State has provided notice to NC-DMV of this hearing; that the summons and Complaint have been served on NC-DMV; that counsel for the State has consulted with NC-DMV’s counsel at the Attorney General’s office in this matter; and that the State is unaware of any objections of NC-DMV to the entry of this Order.

The Court, having reviewed Plaintiff’s Complaint, Plaintiff’s Motion for A Temporary Restraining Order and A Preliminary Injunction, and Plaintiff’s supporting affidavits, finds for purposes of this Order:

1. There is good cause to believe Defendants have advertised, offered, and made usurious vehicle title loans to North Carolina consumers, in violation of North Carolina law,

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<sup>1</sup> Due to the fact that NC-DMV is included as a party to this action solely for jurisdictional and equitable purposes regarding any orders of the Court affecting automobile titles and associated liens recorded and maintained as a governmental function of NC-DMV, the

including the Consumer Finance Act, N.C. Gen. Stat. § 53-164, *et seq.*; Chapter 24 of the North Carolina General Statutes; and the Pawnbrokers and Cash Converters Modernization Act, N.C. Gen. Stat. § 66-385, *et seq.*

2. There is good cause to believe Defendants have collected, and are continuing to collect, payments from North Carolina consumers on Defendants' usurious vehicle title loans, and that Defendants have repossessed, and are continuing to repossess, North Carolina consumers' vehicles, all in violation of North Carolina law, including the Consumer Finance Act, N.C. Gen. Stat. § 53-164, *et seq.*; Chapter 24 of the North Carolina General Statutes; and the Pawnbrokers and Cash Converters Modernization Act, N.C. Gen. Stat. § 66-385, *et seq.*

3. There is good cause to believe that Defendants are continuing to violate the laws of North Carolina and to cause substantial economic injury to consumers in this State. The State has established its right to temporary relief pursuant to N.C. Gen. Stat. § 75-14 and Rule 65 of the North Carolina Rules of Civil Procedure.

4. There is good cause to believe Defendants have failed to comply with injunction orders entered in one or more states, including but not limited to a Temporary Restraining Order entered by the Multnomah County Circuit Court in the State of Oregon, on August 18, 2015, and a Cease and Desist Order issued by the Pennsylvania Department of Banking on June 24, 2015, as courts in Oregon and Pennsylvania found Defendants continued their collections and vehicle repossession activities in violation of injunction orders.

5. There is good cause to believe Defendants have engaged in extensive efforts to

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terms "Defendant" or "Defendants" do not include NC-DMV; and NC-DMV is separately identified as "NC-DMV" where applicable.

conceal their actual identities and physical business location(s); and that Defendants are currently moving, and have moved, substantial funds, including monies collected from North Carolina consumers, to bank accounts located offshore.

Accordingly, pursuant to Rule 65 of the North Carolina Rules of Civil Procedure, to prevent immediate and irreparable injury, including any repossession and sale of North Carolina consumers' vehicles, and the further dissipation and permanent loss of allegedly illegally obtained assets, to preserve the *status quo*, the Court finds good cause to issue this Temporary Restraining Order *ex parte* with notice to be given to Defendants following its entry, and an opportunity for Defendants to be heard on Plaintiff's Motion for a Preliminary Injunction.

IT IS THEREFORE ORDERED that Defendants Liquidation, LLC; Loan Servicing Solution, LLC; Servicing Company DE, LLC; William Walter McKibbin, III; Kevin Lee Cronin; Mark Edward Weiner; and Bobby Joe McKibbin, individually and collectively d/b/a AutoLoans, LLC; Car Loan, LLC; and Sovereign Lending Solutions, LLC (collectively, "Defendants"), together with their officers, agents, employees, and attorneys, and all persons in active concert or participation with them, are temporarily restrained from:

- (1) Offering, making, arranging, or collecting on loans, including loans made in the guise of pawns, to North Carolina consumers;
- (2) Repossessing or selling any vehicle currently owned or previously owned by a North Carolina consumer borrower, or located in the State of North Carolina;
- (3) Placing liens on vehicles or vehicle titles of North Carolina consumers, and from transferring such titles, except to transfer a title back to the consumer;
- (4) Transferring, concealing, spending, or disposing of any money or funds received,

directly or indirectly, from any North Carolina consumers in connection with Defendants' lending activities, except to return funds to North Carolina consumers;

- (5) Transferring, converting, encumbering, disbursing, assigning, spending, withdrawing or otherwise disposing of any funds held in any corporate bank accounts controlled by any of the Defendants, or in the name of Loan Servicing Solution, LLC; Loan Servicing Solutions, LLC; Servicing Company DE, LLC; Liquidation, LLC; Sovereign Lending Solutions, LLC; Management Company, LLC; AutoLoans, LLC; Car Loan, LLC; or any other name used by any of the Defendants in connection with their lending enterprise; and specifically including any bank account identified by the North Carolina Attorney General, including the accounts identified in Part (5)(a) – (d) below, pending further order of the Court:

- (a) Account of Loan Servicing Solution, LLC – Account no. [REDACTED] with a bank routing no. of 266086554 at Citibank;
  - (b) Account of Servicing Company DE, LLC – Account no. [REDACTED] at Fifth Third Bank;
  - (c) Account of Loan Servicing Solution, LLC – Account no. [REDACTED] at Bank of NY Mellon; and
  - (d) Account(s) of Servicing Company DE, LLC at First Internet Bank; and
- (6) Destroying, removing, transferring, erasing, or otherwise disposing of any business or financial records relating to Defendants' lending enterprise, including but not limited to any business or financial records relating to moneys obtained

from any North Carolina consumer, or in connection with any loan made to a North Carolina consumer.

IT IS FURTHER ORDERED THAT the Defendants shall produce to counsel for the State the following records no later than three (3) days prior to the preliminary injunction hearing or within ten (10) days of entry of a Temporary Restraining Order, whichever is sooner:

- (A) A list of the names and addresses of all North Carolina consumers to whom Defendants have made loans since January 1, 2011, together with an accounting or itemization of: (i) the loan amount; (ii) all payments received from the consumer; (iii) whether the consumer's vehicle has been repossessed; and, if resold, (iv) the date of resale; (v) the amount paid by the purchaser; and (vi) identification of the purchaser's full name and address;
- (B) The name and address of every bank at which any of the Defendants maintain corporate deposit, checking or other bank accounts, and the account number for each such account;
- (C) A statement of the current monetary balance in each such account held by any of the Defendants, together with a copy of the most recent bank statement for each such account; and
- (D) A current financial statement, showing the current assets and liabilities for the corporate Defendants.

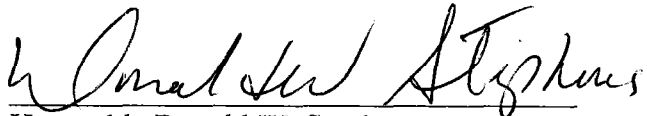
IT IS FURTHER ORDERED that NC-DMV shall reject any liens that it identifies as

being recorded in favor of Defendants to be recorded on North Carolina vehicle titles; including any such liens that may currently be in the process of being recorded, or sought to be recorded on North Carolina vehicle titles by Defendants, pending further order of the Court. Further, NC-DMV shall block any attempted transfers that it may identify by Defendants of any such vehicle titles containing a lien in favor of Defendants, pending further order of the Court. Further, NC-DMV is authorized to place a block on any such affected titles as it may deem necessary to effectuate this Order, pending further order of the Court.

This Order shall remain in effect for the maximum 10 day period permitted under Rule 65 unless extended by consent of the party enjoined, or extended, modified or earlier dissolved by court order.

IT IS FURTHER ORDERED that this matter be heard on the State's Motion for a Preliminary Injunction on the 9 day of MAY, 2016, at 10:00 am, or as soon thereafter as the matter may be heard by the judge presiding over this civil session of Wake County Superior Court.

This the 28 day of April, 2016, at 10:50, A.M.

  
Honorable Donald W. Stephens  
Chief Superior Court Judge